February 24, 1988

To: File

From: Frank Filas

Re: Site Inspection, M/003/007, Tug Project

On February 24, 1988 Dave Wham and I met on site at the proposed Tug Project with Tom Hughes of Western States Minerals; Jerry Mansfield of State Lands and Forestry; and Charlie Dietz and Mack Croft of the Bureau of Water Pollution Control.

Tom Hughes wishes to take one more bulk sample for testing purposes and finalize as much of the permitting as possible before making a "go - no go" decision with respect to this project.

The majority of the pit and a portion of the waste dumps will be on privately owned land. The remainder of the pit, the heap leach area, the access road, and the majority of the dump areas will be on a state section.

We discussed our concerns regarding the reclamation plan with Tom Hughes. These concerns are relatively minor and will be detailed in the review letter. A variance for pit reclamation will be granted provided that the highwall is bermed for safety purposes. The Bureau of Water Pollution Control representatives indicated that they would require two liners under the pad area (synthetic on top, clay underneath) with a gravel leak detection system below the clay liner. Specific requirements for the liners will be determined after information regarding the geologic strata, colluvium depth, and water depth are submitted.

The area has been heavily impacted by drilling and some trenching. The drill holes have been left open and we told Tom Hughes that we will require Western States to plug those holes which are not to be included in the mining area. Jerry Mansfield indicated that he would not have any problems with leaving the access road unreclaimed upon conclusion of operations.

cc: L. Braxton

D. Wham

H. Shepherd

J. Mansfield, State Lands

0809P-4